

**PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS**

FINANCIAL STATEMENT

FISCAL YEAR ENDED JUNE 30, 2014

**KICKHAEFER & ASSOCIATE, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
MARYSVILLE, KANSAS 66508**

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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KICKHAEFER & ASSOCIATE, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

Kenneth L. Kickhaefer, CPA

PO BOX 269, 1100 BROADWAY
MARYSVILLE, KS 66508-0269

(785) 562-2100
FAX (785) 562-2166

INDEPENDENT AUDITORS' REPORT

Board of Education
Prairie Hills Unified School District No. 113
Sabetha, Kansas 66534

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Prairie Hills Unified School District No. 113, Sabetha, Kansas, as of and for the year ended June 30, 2014 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 C. to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of The United States, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 C. of the financial statement, the financial statement is prepared by Prairie Hills Unified School District No. 113, Sabetha, Kansas, to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 C. and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Prairie Hills Unified School District No. 113, Sabetha, Kansas, as of June 30, 2014, or the changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting


In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Prairie Hills Unified School District No. 113, Sabetha, Kansas, as of June 30, 2014, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1 C.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 10, 2014, on our consideration of the Prairie Hills Unified School District No. 113, Sabetha, Kansas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Prairie Hills Unified School District No. 113, Sabetha, Kansas' internal control over financial reporting and compliance.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures - agency funds, and schedule of regulatory basis receipts, expenditures and unencumbered cash - activity funds (Schedules 1,2,3,and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The Schedule of Expenditures of Federal Awards, Schedule of Findings and Questioned Costs, and Schedule of Prior Year Audit Findings are presented for analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are also not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1 C.



Kickhaefer & Associate, P.A.

Marysville, Kansas

November 10, 2014

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

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PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

FINANCIAL INFORMATION

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

STATEMENT 1
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SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

FUNDS	BEGINNING UNENCUMBERED CASH BALANCE	PRIOR YEAR CANCELED ENCUMBRANCES	RECEIPTS	EXPENDITURES	ENDING UNENCUMBERED CASH BALANCE	ADD OUTSTANDING ENCUMBRANCES AND ACCOUNTS PAYABLE	ENDING CASH BALANCE
GENERAL FUNDS							
GENERAL	\$ 0.00	0.00	\$ 8,600,349.07	\$ 8,600,255.05	\$ 94.02	\$ 290,615.81	\$ 290,709.83
SUPPLEMENTAL GENERAL	175,167.80	0.00	2,410,494.79	2,486,671.00	98,991.59	0.00	98,991.59
SPECIAL PURPOSE FUNDS							
CAPITAL OUTLAY	2,012,379.56	0.00	777,373.42	948,935.13	1,840,817.85	0.00	1,840,817.85
DRIVER TRAINING	41,582.98	0.00	14,447.00	20,159.32	35,870.66	0.00	35,870.66
FOOD SERVICE	203,030.12	0.00	753,657.84	717,515.96	239,172.00	0.00	239,172.00
PROFESSIONAL DEVELOPMENT	73,622.50	0.00	55,400.00	49,405.69	79,616.81	0.00	79,616.81
BILINGUAL EDUCATION	437.00	0.00	768.00	1,205.00	0.00	0.00	0.00
SPECIAL EDUCATION	726,485.19	0.00	1,305,269.89	1,328,820.02	702,935.06	0.00	702,935.06
KPERS SPECIAL RETIREMENT CONTRIBUTION	0.00	0.00	730,695.04	730,695.04	0.00	0.00	0.00
VOCATIONAL EDUCATION	206,168.24	0.00	388,298.89	388,298.89	206,168.24	0.00	206,168.24
CONTINGENCY RESERVE	821,262.69	0.00	0.00	8,500.00	812,762.69	8,500.00	821,262.69
AT RISK (4 YR OLD)	33,738.08	0.00	77,365.00	81,102.44	30,000.64	0.00	30,000.64
AT RISK (K-12)	176,261.92	0.00	490,000.00	534,393.51	131,868.41	0.00	131,868.41
TEXTBOOK RENTAL	186,822.00	0.00	115,815.54	165,871.25	136,766.29	0.00	136,766.29
GREEN SCHOOLS GRANT	0.00	0.00	1,875.00	3,157.43	(1,282.43)	0.00	(1,282.43)
CARL PERKINS GRANT	0.00	0.00	6,610.45	6,475.45	135.00	0.00	135.00
GIFTS AND DONATIONS	475.16	0.00	206,291.00	206,291.00	475.16	0.00	475.16
PEP GRANT	(5,570.25)	0.00	62,165.87	59,224.07	(2,628.45)	0.00	(2,628.45)
HRSA GRANT	0.00	0.00	20,002.47	20,002.47	0.00	0.00	0.00
TITLE I FY 13	15,384.57	0.00	130,250.00	130,250.00	0.00	0.00	0.00
TITLE II - A FY 14	0.00	0.00	0.00	15,384.57	0.00	0.00	0.00
GATE RECEIPTS FUNDS	81,960.26	0.00	50,109.00	50,109.00	81,968.50	0.00	81,968.50
SCHOOL PROJECT FUNDS	170,214.04	0.00	189,128.34	189,430.10	197,339.63	0.00	197,339.63
CAPITAL PROJECTS FUND:							
CONSTRUCTION AND BUILDING IMPROVEMENT	1,878,665.32	0.00	11,371.94	102,794.68	1,787,242.58	0.00	1,787,242.58
DEBT SERVICE FUND							
BOND AND INTEREST FUND-(#441)	557,950.63	0.00	577,400.17	551,843.76	583,507.04	0.00	583,507.04
BOND AND INTEREST FUND-(#488)	350,321.39	0.00	203,450.84	259,408.75	294,363.48	0.00	294,363.48
NONEXPENDABLE TRUST FUNDS--							
MILLS MEMORIAL SCHOLARSHIP	10,436.19	0.00	169.00	169.00	10,436.19	0.00	10,436.19
HEIMAN-DICK SCHOLARSHIP	24,168.00	0.00	168.00	336.00	24,000.00	0.00	24,000.00
EXPENDABLE TRUST FUNDS--							
SOURK MEMORIAL SCHOLARSHIP	927.21	0.00	23.46	0.00	950.67	0.00	950.67
ROTHFELDER SCHOLARSHIP	12,562.76	0.00	88.69	1,000.00	11,651.45	0.00	11,651.45
TOTAL REPORTING ENTITY (Excluding Agency Funds)	\$ 7,754,453.36	0.00	\$ 17,403,726.23	\$ 17,855,266.51	\$ 7,302,913.08	\$ 299,115.81	\$ 7,602,028.89

THE NOTES TO THE FINANCIAL STATEMENT ARE AN INTEGRAL PART OF THIS STATEMENT.

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

STATEMENT 1
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SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	ENDING CASH	BALANCE
COMPOSITION OF CASH		
CASH IN BANK, UNITED BANK & TRUST, SABETHA, KANSAS		
- ACCOUNTS		\$ 2,897,406.28
- CERTIFICATE OF DEPOSITS		85,498.75
SUBTOTAL		<u>2,982,905.03</u>
CASH IN BANK, WETMORE NATIONAL BANK, WETMORE, KANSAS		
- ACCOUNTS		30,267.35
- CERTIFICATE OF DEPOSIT		75,000.00
SUBTOTAL		<u>105,267.35</u>
CASH IN BANK, MERIT BANK, GOFF, KANSAS		
- ACCOUNTS		10,990.02
- CERTIFICATE OF DEPOSITS		204,954.48
SUBTOTAL		<u>215,944.50</u>
CASH IN BANK, MORRILL & JAMES BANK, SABETHA, KANSAS		
- ACCOUNTS		<u>1,322,436.83</u>
CASH IN BANK, WESTERN NATIONAL BANK, SUMMERFIELD, KANSAS		
-ACCOUNTS		<u>0.00</u>
CASH IN BANK, COMMUNITY NATIONAL BANK, SENECA, KANSAS		
-CERTIFICATE OF DEPOSIT		<u>1,645,815.54</u>
CASH IN BANK, STATE BANK OF BERN, BERN, KANSAS		
- ACCOUNTS		1,292,373.89
-CERTIFICATE OF DEPOSITS		135,651.45
SUBTOTAL		<u>1,428,025.34</u>
TOTAL CASH		7,700,394.59
LESS AGENCY FUNDS per SCHEDULE 3		(98,365.70)
TOTAL REPORTING ENTITY (Excluding Agency Funds)		<u>\$ 7,602,028.89</u>

THE NOTES TO THE FINANCIAL STATEMENT ARE AN INTEGRAL PART OF THIS STATEMENT.

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Municipal Financial Reporting Entity

Prairie Hills Unified School District No. 113 is a municipal corporation governed by an elected seven-member board. This regulatory financial statement presents Prairie Hills Unified School District No. 113 (the District) and does not include any related municipal entities.

B. Regulatory Basis Fund Types

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. The following regulatory basis fund types comprise the financial activities of the District for the fiscal year 2014:

General Fund—the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds—used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Funds—used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project Fund—used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Trust Fund—funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency Fund—funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

C. Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America—The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. Reimbursed expenses

Prairie Hills Unified School District No. 113 records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements.

E. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding fiscal year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, trust funds, and the following special purpose funds: textbook rental, contingency reserve, and all federal program and grant funds.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

F. Property Tax

The county clerk calculates the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the clerk certifies the tax roll to the county treasurer, who prepares tax statements and receives payment.

Taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

F. Property Tax (cont.)

installments. The delinquency dates are December 21st and May 11th. Delinquent taxes were assessed interest at 6% per annum for the calendar year 2014 and 6% per annum for calendar year 2013. This interest is retained by the county.

Taxes levied to finance the budget are made available to the district after January 1st and are distributed by the county treasurer approximately every month and a half. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed throughout the year.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance With Finance-Related Legal and Contractual Provisions

K.S.A. 75-3317 through 75-3322 makes mandatory the purchase of products offered by Kansas industries for the blind and severely disabled. "The Kansas Use Law" states that when a unified school district has need to purchase products such as those listed in the Kansas State Use Catalog, it is a violation of Kansas law to purchase from any source other than those specified on the website or catalog. USD #113 did purchase \$6,685.84 from these industries in fiscal year 2013-2014 but reasonably not all janitorial or office supplies needed throughout the school year were purchased from those specified by the State.

Physical Education Program (PEP) grant is a reimbursable federal program. Exemption from the Kansas cash basis law K.S.A. 10-1113 is allowed for federal programs under K.S.A. 12-1664. Reimbursement for the PEP grant in the amount of \$2,628.45 was received in the next fiscal year. Green Schools Grant was also reimbursed in the next fiscal year.

K.S.A. 72-6760 requires expenditures greater than \$20,000 for construction or purchases of materials to be awarded to the lowest bidder through the sealed bid process. The district spent \$20,940.00 on carpet for the Sabetha Middle School which was not put out for bid.

K.S.A. 79-2935 requires expenditures and encumbrances of a fund to be within the budgeted limits. The refinancing costs of the 2005 Bond Series in the amount of \$11,989.75 were in excess of the budgeted authority. The district did not republish the budget to increase the budget for those costs.

3. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located or in an adjoining county if the institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 2014

3. DEPOSITS AND INVESTMENTS (cont.)

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2014.

At June 30, 2014, the carrying amount of the district's deposits was \$7,700,394.59 and the bank balance was \$7,945,514.82. The bank balance was held by seven banks resulting in a concentration of credit risk. Of the bank balance, \$1,334,943.32 was covered by federal depository insurance and \$6,610,571.50 was collateralized with securities held by the pledging financial institutions' agents in the district's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

4. IN-SUBSTANCE RECEIPT IN TRANSIT

The District received \$541,527.00 subsequent to June 30, 2014 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2014.

5. LONG-TERM DEBT

Changes in long-term liabilities for the district for the year ended June 30, 2014 were as follows:

ISSUE	INTEREST RATES	DATE OF ISSUE	AMOUNT OF ISSUE	DATE OF FINAL MATURITY	BEGINNING PRINCIPAL OUTSTANDING	ADDITIONS TO PRINCIPAL	REDUCTIONS OF PRINCIPAL	NET CHANGE IN PRINCIPAL	ENDING PRINCIPAL OUTSTANDING	INTEREST PAID
GENERAL OBLIGATION BONDS:										
SERIES 2009- #441	3.0 - 4.45%	4/17/2009	\$ 8,345,000.00	9/1/2029	\$ 8,010,000.00	\$ 0.00	\$ 240,000.00	\$ (240,000.00)	\$ 7,770,000.00	\$ 311,843.76
SERIES 2005- #488	3.5-4.0%	10/15/2005	2,300,000.00	9/1/2020	1,695,000.00	0.00	1,695,000.00	(1,695,000.00)	0.00	62,418.75
REFUNDING SERIES 2014- #113	2.00%	4/23/2014	1,515,000.00	9/1/2020	0.00	1,515,000.00	0.00	1,515,000.00	1,515,000.00	0.00
BUILDING ENERGY IMPROVEMENT LEASE UNITED BANK	3.97 - 5.97%	11/3/2009	857,759.00	7/15/2024	667,782.63	0.00	49,602.53	(49,602.53)	618,180.10	26,510.97
					\$ 10,372,782.63	\$ 1,515,000.00	\$ 1,984,602.53	\$ (469,602.53)	\$ 9,903,180.10	\$ 400,773.48

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 2014

5. LONG-TERM DEBT (cont.)

	YEAR								
	2015	2016	2017	2018	2019	2020-2024	2025-2029	2030-2034	TOTAL
PRINCIPAL									
GENERAL OBLIGATION BONDS-2009- #441	\$ 260,000.00	\$ 285,000.00	\$ 305,000.00	\$ 330,000.00	\$ 360,000.00	\$ 2,265,000.00	\$ 3,190,000.00	\$ 775,000.00	\$ 7,770,000.00
GENERAL OBLIGATION BONDS-2005- #488	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GENERAL OBLIGATION REFUNDING BONDS-2014- #113	195,000.00	210,000.00	210,000.00	205,000.00	225,000.00	470,000.00	0.00	0.00	1,515,000.00
BUILDING ENERGY IMPROVEMENT LEASE		49,231.49	51,600.82	54,242.85	56,938.72	326,626.85	77,539.57	0.00	618,180.10
INTEREST									
GENERAL OBLIGATION BONDS-2009- #441	304,343.76	295,990.63	286,505.00	275,697.50	263,252.50	1,084,677.50	835,402.50	17,243.75	3,063,113.14
GENERAL OBLIGATION BONDS-2005- #488	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GENERAL OBLIGATION REFUNDING BONDS-2014- #113	23,300.00	24,300.00	20,100.00	15,950.00	11,850.00	9,500.00	0.00	0.00	104,800.00
BUILDING ENERGY IMPROVEMENT LEASE		30,723.55	28,354.22	25,712.19	23,018.32	60,053.85	4,641.79	0.00	192,502.02
TOTAL PRINCIPAL AND INTEREST	\$ 782,643.76	\$ 695,245.07	\$ 901,560.04	\$ 906,602.54	\$ 939,057.54	\$ 4,237,858.10	\$ 3,807,583.86	\$ 792,243.75	\$ 11,643,785.26

6. INTERFUND TRANSFERS

From	To	Statutory Authority	Amount
General Fund	Special Education	K.S.A. 72-6428	\$ 978,929.10
General Fund	Bilingual Education	K.S.A. 72-6428	768.00
General Fund	At Risk K-12	K.S.A. 72-6428	340,000.00
General Fund	At Risk 4 Yr. Old	K.S.A. 72-6428	20,000.00
General Fund	Vocational Education	K.S.A. 72-6428	120,000.00
General Fund	Capital Outlay	K.S.A. 72-6428	252,538.53
General Fund	Food Service	K.S.A. 72-6428	37,110.49
Supplemental General	Professional Development	K.S.A. 72-6433	55,400.00
Supplemental General	Special Education	K.S.A. 72-6433	309,776.65
Supplemental General	At Risk K-12	K.S.A. 72-6433	150,000.00
Supplemental General	At Risk (4 Yr. Old)	K.S.A. 72-6433	57,365.00
Supplemental General	Food Service	K.S.A. 72-6433	94,129.45
Supplemental General	Vocational Education	K.S.A. 72-6433	255,620.89
Supplemental General	Textbooks	K.S.A. 72-6433	70,000.00

7. DEFINED BENEFIT PENSION PLAN

Plan description. The District participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERs provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 S Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERs member-employee contribution rates. Effective July 1, 2009 KPERs has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 2014

7. DEFINED BENEFIT PENSION PLAN (cont.)

establishes the KPERS member-employee contribution rate of 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Effective January 1, 2014, the KPERS member-employee contribution rate changed to 5% of covered salary for Tier I members. Member employees' contributions are withheld by their employer and paid to KPERS according to provisions of Section 414(h) of the Internal Revenue Code.

The State of Kansas is required to contribute the statutory required employers share. The State of Kansas contributes 11.12% of covered payroll for the period of July 1, 2013 to June 30, 2014. The State of Kansas contribution to KPERS for all school municipalities for the year ending June 30, 2014 received as of June 30 was \$361,575,393.

8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other post employment benefits. As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Termination Benefits. The District provides an early retirement program for eligible certified staff. The board shall pay the retiree an annual lump sum of \$3,000 into the retiree's 403 (b) account with a current district provided vendor for a period not to exceed the lesser of 5 years or the year the retiree is eligible to receive Medicare. If written notification is given on or before January 5 of the year of retirement and the certified staff member has been an employee for 20 or more years, a \$3,000 bonus will be put into their 403 (b) account. They will also receive the Early Retirement Incentive. In exchange for the bonus, the staff member will forfeit the \$15 a day pay for accumulated sick leave. 100% of the dollar amount is paid with 20 years of service, 80% with 16 years of service and 60% with 12 years of service with the District. Payments to retired employees under this plan were \$41,272.54 for the year ended June 30, 2014.

Fringe Benefits. The District shall pay \$315 per month toward a district health insurance premium for all certified employees. Employees may also elect to participate in a flexible benefit plan with one or more of the following options:

- dependent care insurance
- health insurance
- life insurance
- disability insurance
- cancer insurance
- medical reimbursement

Compensated Absences. The District's policies regarding vacation and sick leave are: Teachers are allowed 10 days sick leave accumulative to 90 days, one day bereavement leave, and three days personal leave accumulative to 4 days maximum. One additional day of sick leave is allowed for each month employed beyond a nine month contract; non-certified full-time employees are allowed ten days sick leave accumulative to 70 days, two days personal leave accumulative to sick leave if not used, and two weeks vacation for one to ten years employment and three weeks vacation after ten years; the superintendent is allowed 13 days sick leave accumulative to 90 days and 20 days vacation; the clerk-assistant superintendent is allowed 13 days sick leave accumulative to 90 days and 20 days vacation; the principals are allowed 13 days sick leave

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 2014

8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (cont.)

accumulative to 90 days and 25 days vacation. Teachers may choose to receive \$85 per unused personal day or roll unused days into their sick leave or roll 1 personal day to accumulate up to a maximum of 4 days in any year.

Liability for compensated absences is not reflected in the financial statements.

9. RELATED PARTIES

The District sold the Bern school building for \$200,000.00 to SLK Assets which is a subsidiary of Lortscher Agri-Service which is owned by board member Brent Lortscher.

10. CAPITAL PROJECT

The District finished the capital project years ago but has a remaining balance which is being transferred to Bond and Interest Fund to pay off the bonds.

11. SUBSEQUENT EVENTS

The District's management has evaluated events and transactions occurring through November 10, 2014, the date which the financial statement was available to be issued.

12. COMMITMENTS AND CONTINGENCIES

Litigation

As of the audit date, there was no pending litigation which involved the Prairie Hills Unified School District #113.

Grant program involvement

The District participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by grantors or their representatives for audit of these programs for or including the year ending June 30, 2014. These compliance audits have not been conducted as of November 10, 2014. Accordingly, the District's compliance with applicable grant agreements will be established at some future date. The amount of expenditures, which may be disallowed by the grantor agencies, cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

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PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

SCHEDULE 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

FUNDS	CERTIFIED BUDGET	ADJUSTMENT TO COMPLY WITH LEGAL MAX	ADJUSTMENT FOR QUALIFYING BUDGET CREDITS	TOTAL BUDGET FOR COMPARISON	EXPENDITURES CHARGEABLE TO CURRENT YEAR	VARIANCE - OVER (UNDER)
GENERAL FUNDS						
GENERAL	\$ 8,556,177.00	\$ (39,532.00)	\$ 83,610.05	\$ 8,600,255.05	\$ 8,600,255.05	\$ 0.00
SUPPLEMENTAL GENERAL	2,509,944.00	(23,273.00)	0.00	2,486,671.00	2,486,671.00	0.00
SPECIAL PURPOSE FUNDS						
CAPITAL OUTLAY	2,146,446.00	0.00	0.00	2,146,446.00	948,935.13	(1,197,510.87)
DRIVER TRAINING	51,933.00	0.00	0.00	51,933.00	20,159.32	(31,773.68)
FOOD SERVICE	917,528.00	0.00	0.00	917,528.00	717,515.96	(200,012.04)
PROFESSIONAL DEVELOPMENT	113,623.00	0.00	0.00	113,623.00	49,405.69	(64,217.31)
SPECIAL EDUCATION	1,933,973.00	0.00	0.00	1,933,973.00	1,328,820.02	(605,152.98)
KPERS SPECIAL RETIREMENT CONTRIBUTION	790,833.00	0.00	0.00	790,833.00	730,695.04	(60,137.96)
VOCATIONAL EDUCATION	403,524.00	0.00	0.00	403,524.00	388,298.89	(15,225.11)
AT RISK (K-12)	679,000.00	0.00	0.00	679,000.00	534,393.51	(144,606.49)
AT RISK (4 YR. OLD)	115,000.00	0.00	0.00	115,000.00	81,102.44	(33,897.56)
BILINGUAL EDUCATION	3,437.00	0.00	0.00	3,437.00	1,205.00	(2,232.00)
DEBT SERVICE FUNDS						
BOND AND INTEREST-#441	551,844.00	0.00	0.00	551,844.00	551,843.76	(0.24)
BOND AND INTEREST-#488	247,419.00	0.00	0.00	247,419.00	259,408.75	11,989.75

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

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PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

SCHEDULE 2
PAGE 1 OF 15

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	13-14 ACTUAL	13-14 BUDGET	VARIANCE - OVER (UNDER)
<u>CASH RECEIPTS</u>			
TAXES AND SHARED REVENUE--			
AD VALOREM PROPERTY TAXES -2012	\$ 40,540.32	\$ 34,741.00	\$ 5,799.32
AD VALOREM PROPERTY TAXES -2013	1,485,254.89	1,458,021.00	27,233.89
DELINQUENT PROPERTY TAX	5,394.25	15,281.00	(9,886.75)
TOTAL TAXES AND SHARED REVENUE	1,531,189.46	1,508,043.00	23,146.46
STATE SOURCES--			
GENERAL STATE AID	6,103,488.00	6,130,553.00	(27,065.00)
SPECIAL EDUCATION	878,220.00	917,581.00	(39,361.00)
MINERAL PRODUCTION TAX	3,841.56	0.00	3,841.56
TOTAL STATE SOURCES	6,985,549.56	7,048,134.00	(62,584.44)
REIMBURSEMENTS	83,610.05	0.00	83,610.05
TOTAL CASH RECEIPTS	8,600,349.07	\$ 8,556,177.00	\$ 44,172.07
<u>EXPENDITURES</u>			
INSTRUCTION	4,610,627.63	\$ 4,419,500.00	\$ 191,127.63
SUPPORT SERVICES:			
STUDENT SUPPORT	205,165.15	236,376.00	(31,210.85)
INSTRUCTIONAL SUPPORT	379,536.93	372,770.00	6,766.93
GENERAL ADMINISTRATION	136,474.61	328,000.00	(191,525.39)
SCHOOL ADMINISTRATION	103,620.32	199,800.00	(96,179.68)
OPERATIONS AND MAINTENANCE	711,874.58	877,100.00	(165,225.42)
STUDENT TRANSPORTATION	235,175.17	216,600.00	18,575.17
VEHICLE OPERATING SERVICE	147,661.14	160,000.00	(12,338.86)
VEHICLE SERVICES & MAINTENANCE	205,612.26	148,300.00	57,312.26
OTHER SUPPLEMENTAL SERVICE	61,262.50	216,650.00	(155,387.50)
STUDENT ACTIVITIES	53,898.64	0.00	53,898.64
ARCHITECTURAL & ENGINEERING SERVICE	0.00	500.00	(500.00)
OPERATING TRANSFERS TO:			
CAPITAL OUTLAY	252,538.53	0.00	252,538.53
BILINGUAL EDUCATION	768.00	3,000.00	(2,232.00)
SPECIAL EDUCATION	978,929.10	917,581.00	61,348.10
VOCATIONAL EDUCATION	120,000.00	65,000.00	55,000.00
AT RISK (4 YR OLD)	20,000.00	55,000.00	(35,000.00)
AT RISK (K-12)	340,000.00	340,000.00	0.00
FOOD SERVICE	37,110.49	0.00	37,110.49
ADJUSTMENT TO COMPLY WITH LEGAL MAX	0.00	(39,532.00)	39,532.00
LEGAL GENERAL FUND BUDGET	8,600,255.05	8,516,645.00	83,610.05
ADJUSTMENT FOR QUALIFYING BUDGET CREDITS	0.00	83,610.05	(83,610.05)
TOTAL EXPENDITURES	8,600,255.05	\$ 8,600,255.05	\$ 0.00
CASH RECEIPTS OVER (UNDER) EXPENDITURES	94.02		
UNENCUMBERED CASH, JULY 1, 2013	0.00		
UNENCUMBERED CASH, JUNE 30, 2014	\$ 94.02		

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

SCHEDULE 2
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SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	13-14 ACTUAL	13-14 BUDGET	VARIANCE - OVER (UNDER)
<u>CASH RECEIPTS</u>			
AD VALOREM PROPERTY TAXES -2012	\$ 37,832.86	\$ 33,749.00	\$ 4,083.86
AD VALOREM PROPERTY TAXES -2013	1,578,864.24	1,510,755.00	68,109.24
DELINQUENT PROPERTY TAX	6,421.45	13,212.00	(6,790.55)
MOTOR VEHICLE TAX	137,887.75	131,320.00	6,567.75
RECREATIONAL VEHICLE TAX	1,906.49	2,814.00	(907.51)
SUPPLEMENTAL STATE AID	647,582.00	642,927.00	4,655.00
TOTAL CASH RECEIPTS	<u>2,410,494.79</u>	<u>\$ 2,334,777.00</u>	<u>\$ 75,717.79</u>
<u>EXPENDITURES</u>			
INSTRUCTION	0.00	\$ 105,587.00	\$ (105,587.00)
SUPPORT SERVICES:			
GENERAL ADMINISTRATION	661,125.69	228,800.00	432,325.69
SCHOOL ADMINISTRATION	490,784.22	680,000.00	(189,215.78)
OPERATIONS & MAINTENANCE	308,180.51	417,200.00	(109,019.49)
OPERATIONS & MAINTENANCE-TRANSPORTATION	31,478.05	193,000.00	(161,521.95)
OTHER SUPPLEMENTAL SERVICES	2,810.54	121,890.00	(119,079.46)
TRANSFERS:			
FOOD SERVICE	94,129.45	70,000.00	24,129.45
PROFESSIONAL DEVELOPMENT	55,400.00	40,000.00	15,400.00
SPECIAL EDUCATION	309,776.65	300,000.00	9,776.65
VOCATIONAL EDUCATION	255,620.89	120,000.00	135,620.89
TEXTBOOK & STUDENT MATERIALS	70,000.00	44,467.00	25,533.00
AT RISK 4 YR OLD	57,365.00	30,000.00	27,365.00
AT RISK (K-12)	150,000.00	159,000.00	(9,000.00)
ADJUSTMENT TO COMPLY WITH LEGAL MAX	<u>0.00</u>	<u>(23,273.00)</u>	<u>23,273.00</u>
TOTAL EXPENDITURES	<u>2,486,671.00</u>	<u>\$ 2,486,671.00</u>	<u>\$ (0.00)</u>
CASH RECEIPTS OVER (UNDER) EXPENDITURES	<u>(76,176.21)</u>		
UNENCUMBERED CASH, JULY 1, 2013	<u>175,167.80</u>		
UNENCUMBERED CASH, JUNE 30, 2014	<u>\$ 98,991.59</u>		

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

SCHEDULE 2
PAGE 3 OF 15

CAPITAL OUTLAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	13-14 ACTUAL	13-14 BUDGET	VARIANCE - OVER (UNDER)
<u>CASH RECEIPTS</u>			
AD VALOREM PROPERTY TAXES -2012	\$ 14,149.30	\$ 12,508.00	\$ 1,641.30
AD VALOREM PROPERTY TAXES -2013	416,785.52	410,755.00	6,030.52
DELINQUENT PROPERTY TAX	2,295.41	4,943.00	(2,647.59)
MOTOR VEHICLE TAX	49,619.83	47,315.00	2,304.83
RECREATIONAL VEHICLE TAX	689.59	1,014.00	(324.41)
INTEREST ON IDLE FUNDS	30,045.48	0.00	30,045.48
OTHER REVENUE	11,249.76	0.00	11,249.76
TRANSFER FROM GENERAL FUND	252,538.53	0.00	252,538.53
TOTAL CASH RECEIPTS	<u>777,373.42</u>	<u>\$ 476,535.00</u>	<u>\$ 300,838.42</u>
<u>EXPENDITURES</u>			
INSTRUCTION - PROPERTY (EQUIP. & FURN.)	20,165.40	\$ 50,000.00	\$ (29,834.60)
STUDENT SUPP. SERV. - PROPERTY (EQUIP. & FURN.)	539,832.26	800,000.00	(260,167.74)
GENERAL ADMINISTRATION - PROPERTY (EQUIP. & FURN.)	44,327.38	200,000.00	(155,672.62)
SCHOOL ADMINISTRATION - PROPERTY (EQUIP. & FURN.)	78,095.26	60,000.00	18,095.26
OPERATIONS & MAINTENANCE - PROPERTY (EQUIP. & FURN.)	493.00	429,446.00	(428,953.00)
TRANSPORTATION - PROPERTY (EQUIP. & FURN.)	0.00	300,000.00	(300,000.00)
FACILITIES - REPAIR & REMODELING BUILDING	265,021.83	300,000.00	(34,978.17)
FACILITIES - ARCHITECTURAL & ENGINEERING SERV.	1,000.00	5,000.00	(4,000.00)
FACILITIES - OTHER	0.00	2,000.00	(2,000.00)
TOTAL EXPENDITURES	<u>948,935.13</u>	<u>\$ 2,146,446.00</u>	<u>\$ (1,197,510.87)</u>
CASH RECEIPTS OVER (UNDER) EXPENDITURES	(171,561.71)		
UNENCUMBERED CASH, JULY 1, 2013	<u>2,012,379.56</u>		
UNENCUMBERED CASH, JUNE 30, 2014	<u>\$ 1,840,817.85</u>		

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

SCHEDULE 2
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DRIVER TRAINING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	13-14 ACTUAL	13-14 BUDGET	VARIANCE - OVER (UNDER)
<u>CASH RECEIPTS</u>			
STATE OF KANSAS	\$ 5,270.00	\$ 10,350.00	\$ (5,080.00)
OTHER LOCAL REVENUE	9,177.00	0.00	9,177.00
TOTAL CASH RECEIPTS	14,447.00	\$ 10,350.00	\$ 4,097.00
<u>EXPENDITURES</u>			
INSTRUCTION	14,835.26	\$ 46,933.00	\$ (32,097.74)
VEHICLE OPERATIONS & MAINTENANCE	5,324.06	5,000.00	324.06
TOTAL EXPENDITURES	20,159.32	\$ 51,933.00	\$ (31,773.68)
CASH RECEIPTS OVER (UNDER) EXPENDITURES	(5,712.32)		
UNENCUMBERED CASH, JULY 1, 2013	41,582.98		
UNENCUMBERED CASH, JUNE 30, 2014	\$ 35,870.66		

KPERS SPECIAL RETIREMENT CONTRIBUTION FUND

	13-14 ACTUAL	13-14 BUDGET	VARIANCE - OVER (UNDER)
<u>CASH RECEIPTS</u>			
STATE OF KANSAS	\$ 730,695.04	\$ 790,833.00	\$ (60,137.96)
<u>EXPENDITURES</u>			
INSTRUCTION	473,491.45	\$ 520,000.00	\$ (46,508.55)
STUDENT SUPPORT	18,596.83	23,000.00	(4,403.17)
INSTRUCTIONAL SUPPORT	32,223.67	33,000.00	(776.33)
GENERAL ADMINISTRATION	23,402.27	27,500.00	(4,097.73)
SCHOOL ADMINISTRATION	63,164.04	63,200.00	(35.96)
OTHER SUPPLEMENTAL SERVICES	27,600.72	29,310.00	(1,709.28)
OPERATIONS & MAINTENANCE	41,468.27	42,200.00	(731.73)
STUDENT TRANSPORTATION SERVICES	23,833.92	23,623.00	210.92
FOOD SERVICE	26,913.87	29,000.00	(2,086.13)
TOTAL EXPENDITURES	730,695.04	\$ 790,833.00	\$ (60,137.96)
CASH RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
UNENCUMBERED CASH, JULY 1, 2013	0.00		
UNENCUMBERED CASH, JUNE 30, 2014	\$ 0.00		

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

SCHEDULE 2
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FOOD SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	13-14 ACTUAL	13-14 BUDGET	VARIANCE - OVER (UNDER)
<u>CASH RECEIPTS</u>			
STATE OF KANSAS - FEDERAL AID	\$ 273,367.67	\$ 283,725.00	\$ (10,357.33)
- STATE AID	16,660.59	6,728.00	9,932.59
MEALS	330,918.94	350,378.00	(19,459.06)
TRANSFER FROM GENERAL FUND	37,110.49	0.00	37,110.49
TRANSFER FROM SUPPLEMENTAL GENERAL FUND	94,129.45	70,000.00	24,129.45
OTHER REVENUE	<u>1,470.70</u>	<u>3,672.00</u>	<u>(2,201.30)</u>
 TOTAL CASH RECEIPTS	 <u>753,657.84</u>	 <u>\$ 714,503.00</u>	 <u>\$ 39,154.84</u>
 <u>EXPENDITURES</u>			
OPERATIONS & MAINTENANCE	9,279.96	\$ 131,128.00	\$ (121,848.04)
FOOD SERVICE OPERATION	<u>708,236.00</u>	<u>786,400.00</u>	<u>(78,164.00)</u>
 TOTAL EXPENDITURES	 <u>717,515.96</u>	 <u>\$ 917,528.00</u>	 <u>\$ (200,012.04)</u>
 CASH RECEIPTS OVER (UNDER) EXPENDITURES	 36,141.88		
UNENCUMBERED CASH, JULY 1, 2013	<u>203,030.12</u>		
UNENCUMBERED CASH, JUNE 30, 2014	<u>\$ 239,172.00</u>		

CONSTRUCTION AND BUILDING IMPROVEMENTS

	13-14 ACTUAL
<u>CASH RECEIPTS</u>	
INTEREST EARNED	\$ <u>11,371.94</u>
 <u>EXPENDITURES</u>	
OTHER EXPENSES	2,794.68
TRANSFER TO BOND & INTEREST	<u>100,000.00</u>
 TOTAL EXPENDITURES	 <u>102,794.68</u>
 CASH RECEIPTS OVER (UNDER) EXPENDITURES	 (91,422.74)
UNENCUMBERED CASH, JULY 1, 2013	<u>1,878,665.32</u>
UNENCUMBERED CASH, JUNE 30, 2014	<u>\$ 1,787,242.58</u>

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

SCHEDULE 2
PAGE 6 OF 15

PROFESSIONAL DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	13-14 ACTUAL	13-14 BUDGET	VARIANCE - OVER (UNDER)
<u>CASH RECEIPTS</u>			
TRANSFER FROM SUPPLEMENTAL GENERAL FUND	\$ 55,400.00	\$ 40,000.00	\$ 15,400.00
<u>EXPENDITURES</u>			
INSTRUCTION SUPPORT	49,405.69	\$ 113,623.00	\$ (64,217.31)
CASH RECEIPTS OVER (UNDER) EXPENDITURES	5,994.31		
UNENCUMBERED CASH, JULY 1, 2013	73,622.50		
UNENCUMBERED CASH, JUNE 30, 2014	\$ 79,616.81		

BILINGUAL EDUCATION FUND

	13-14 ACTUAL	13-14 BUDGET	VARIANCE - OVER (UNDER)
<u>CASH RECEIPTS</u>			
TRANSFER FROM GENERAL FUND	\$ 768.00	\$ 3,000.00	\$ (2,232.00)
<u>EXPENDITURES</u>			
INSTRUCTION	1,205.00	\$ 3,437.00	\$ (2,232.00)
CASH RECEIPTS OVER (UNDER) EXPENDITURES	(437.00)		
UNENCUMBERED CASH, JULY 1, 2013	437.00		
UNENCUMBERED CASH, JUNE 30, 2014	\$ 0.00		

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

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SPECIAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	13-14 ACTUAL	13-14 BUDGET	VARIANCE - OVER (UNDER)
<u>CASH RECEIPTS</u>			
MISCELLANEOUS REVENUE	\$ 16,564.14	\$ 0.00	\$ 16,564.14
TRANSFER FROM GENERAL FUND	978,929.10	917,581.00	61,348.10
TRANSFER FROM SUPPLEMENTAL GENERAL FUND	309,776.65	300,000.00	9,776.65
TOTAL CASH RECEIPTS	<u>1,305,269.89</u>	<u>\$ 1,217,581.00</u>	<u>\$ 87,688.89</u>
<u>EXPENDITURES</u>			
INSTRUCTION	1,280,594.28	\$ 1,668,373.00	\$ (387,778.72)
STUDENT SUPPORT SERVICES	21,422.32	233,000.00	(211,577.68)
GENERAL ADMINISTRATION	0.00	150.00	(150.00)
STUDENT TRANSPORTATION SERVICES	22,183.67	25,000.00	(2,816.33)
VEHICLE OPERATING SERVICES	4,619.75	7,450.00	(2,830.25)
TOTAL EXPENDITURES	<u>1,328,820.02</u>	<u>\$ 1,933,973.00</u>	<u>\$ (605,152.98)</u>
CASH RECEIPTS OVER (UNDER) EXPENDITURES	(23,550.13)		
UNENCUMBERED CASH, JULY 1, 2013	<u>726,485.19</u>		
UNENCUMBERED CASH, JUNE 30, 2014	<u>\$ 702,935.06</u>		

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

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VOCATIONAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	13-14 ACTUAL	13-14 BUDGET	VARIANCE - OVER (UNDER)
<u>CASH RECEIPTS</u>			
STATE OF KANSAS - STATE AID	\$ 12,678.00	\$ 12,355.00	\$ 323.00
TRANSFER FROM GENERAL FUND	120,000.00	65,000.00	55,000.00
TRANSFER FROM SUPPLEMENTAL GENERAL FUND	255,620.89	120,000.00	135,620.89
TOTAL CASH RECEIPTS	<u>388,298.89</u>	<u>\$ 197,355.00</u>	<u>\$ 190,943.89</u>
<u>EXPENDITURES</u>			
INSTRUCTION	378,475.87	\$ 376,600.00	\$ 1,875.87
INSTRUCTION SUPPORT STAFF	0.00	26,924.00	(26,924.00)
STUDENT TRANSPORTATION SERVICES	9,555.02	0.00	9,555.02
VEHICLE OPERATING SERVICES	268.00	0.00	268.00
TOTAL EXPENDITURES	<u>388,298.89</u>	<u>403,524.00</u>	<u>(15,225.11)</u>
CASH RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
UNENCUMBERED CASH, JULY 1, 2013	<u>206,168.24</u>		
UNENCUMBERED CASH, JUNE 30, 2014	<u>\$ 206,168.24</u>		

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

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AT RISK (4 YR OLD)
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	13-14 ACTUAL	13-14 BUDGET	VARIANCE - OVER (UNDER)
<u>CASH RECEIPTS</u>			
TRANSFER FROM GENERAL	\$ 20,000.00	\$ 55,000.00	\$ (35,000.00)
TRANSFER FROM SUPPLEMENTAL GENERAL	57,365.00	30,000.00	27,365.00
TOTAL CASH RECEIPTS	<u>77,365.00</u>	<u>\$ 85,000.00</u>	<u>\$ 7,635.00</u>
<u>EXPENDITURES</u>			
INSTRUCTION	66,101.44	\$ 107,500.00	\$ (41,398.56)
STUDENT TRANSPORTATION SERVICES	15,001.00	7,500.00	7,501.00
TOTAL EXPENDITURES	<u>81,102.44</u>	<u>\$ 115,000.00</u>	<u>\$ (33,897.56)</u>
CASH RECEIPTS OVER (UNDER) EXPENDITURES	(3,737.44)		
UNENCUMBERED CASH, JULY 1, 2013	<u>33,738.08</u>		
UNENCUMBERED CASH, JUNE 30, 2014	\$ <u>30,000.64</u>		

AT RISK (K-12)

	13-14 ACTUAL	13-14 BUDGET	VARIANCE - OVER (UNDER)
<u>CASH RECEIPTS</u>			
TRANSFER FROM GENERAL	\$ 340,000.00	\$ 340,000.00	\$ 0.00
TRANSFER FROM SUPPLEMENTAL GENERAL	150,000.00	159,000.00	(9,000.00)
TOTAL CASH RECEIPTS	<u>490,000.00</u>	<u>\$ 499,000.00</u>	<u>\$ (9,000.00)</u>
<u>EXPENDITURES</u>			
INSTRUCTION	534,393.51	\$ 679,000.00	\$ (144,606.49)
CASH RECEIPTS OVER (UNDER) EXPENDITURES	(44,393.51)		
UNENCUMBERED CASH, JULY 1, 2013	<u>176,261.92</u>		
UNENCUMBERED CASH, JUNE 30, 2014	\$ <u>131,868.41</u>		

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

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BOND AND INTEREST FUND (USD #441)
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	13-14 ACTUAL	13-14 BUDGET	VARIANCE - OVER (UNDER)
<u>CASH RECEIPTS</u>			
AD VALOREM PROPERTY TAX -2012	\$ 11,042.84	\$ 8,663.00	\$ 2,379.84
-2013	160,143.37	158,314.00	1,829.37
DELINQUENT PROPERTY TAXES	1,548.69	3,286.00	(1,737.31)
MOTOR VEHICLE TAX	32,450.11	29,830.00	2,620.11
RECREATIONAL VEHICLE TAX	466.16	639.00	(172.84)
OTHER REVENUE FROM LOCAL SOURCE	0.00	62,000.00	(62,000.00)
STATE AID	271,749.00	187,627.00	84,122.00
TRANSFER FROM BUILDING & CONSTRUCTION IMPROVEMENTS	100,000.00	0.00	100,000.00
TOTAL CASH RECEIPTS	577,400.17	\$ 450,359.00	\$ 127,041.17
<u>EXPENDITURES</u>			
INTEREST	311,843.76	\$ 311,844.00	\$ (0.24)
PRINCIPAL	240,000.00	240,000.00	0.00
TOTAL EXPENDITURES	551,843.76	\$ 551,844.00	\$ (0.24)
CASH RECEIPTS OVER (UNDER) EXPENDITURES	25,556.41		
UNENCUMBERED CASH, JULY 1, 2013	557,950.63		
UNENCUMBERED CASH, JUNE 30, 2014	\$ 583,507.04		

BOND AND INTEREST FUND (USD #488)

	13-14 ACTUAL	13-14 BUDGET	VARIANCE - OVER (UNDER)
<u>CASH RECEIPTS</u>			
AD VALOREM PROPERTY TAX -2012	\$ 3,497.43	\$ 3,690.00	\$ (192.57)
-2013	159,868.01	155,382.00	4,486.01
DELINQUENT PROPERTY TAXES	856.67	1,770.00	(913.33)
MOTOR VEHICLE TAX	15,021.12	16,590.00	(1,568.88)
RECREATIONAL VEHICLE TAX	209.40	355.00	(145.60)
MISCELLANEOUS REVENUE	23,998.21	0.00	23,998.21
TOTAL CASH RECEIPTS	203,450.84	\$ 177,787.00	\$ 25,663.84
<u>EXPENDITURES</u>			
INTEREST	62,418.75	\$ 62,419.00	\$ (0.25)
PRINCIPAL	185,000.00	185,000.00	0.00
COMMISSION & POSTAGE	11,990.00	0.00	11,990.00
TOTAL EXPENDITURES	259,408.75	\$ 247,419.00	\$ 11,989.75
CASH RECEIPTS OVER (UNDER) EXPENDITURES	(55,957.91)		
UNENCUMBERED CASH, JULY 1, 2013	350,321.39		
UNENCUMBERED CASH, JUNE 30, 2014	\$ 294,363.48		

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

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SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	TEXTBOOK RENTAL FUND	CONTINGENCY RESERVE FUND	CARL PERKINS
<u>CASH RECEIPTS</u>			
RENTAL FEES	\$ 45,255.54	\$ 0.00	\$ 0.00
OTHER REVENUE	560.00	0.00	0.00
USD #115	0.00	0.00	6,610.45
TRANSFER FROM SUPPLEMENTAL GENERAL	70,000.00	0.00	0.00
TOTAL CASH RECEIPTS	<u>115,815.54</u>	<u>0.00</u>	<u>6,610.45</u>
<u>EXPENDITURES</u>			
TEXTBOOKS	165,871.25	0.00	0.00
SUPPLIES	0.00	0.00	5,752.95
OTHER	0.00	8,500.00	722.50
TOTAL EXPENDITURES	<u>165,871.25</u>	<u>8,500.00</u>	<u>6,475.45</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(50,055.71)	(8,500.00)	135.00
UNENCUMBERED CASH, JULY 1, 2013	<u>186,822.00</u>	<u>821,262.69</u>	<u>0.00</u>
UNENCUMBERED CASH, JUNE 30, 2014	<u>\$ 136,766.29</u>	<u>\$ 812,762.69</u>	<u>\$ 135.00</u>

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

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SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	TITLE I FY 14	TITLE I FY 13	GREEN SCHOOLS GRANT
<u>CASH RECEIPTS</u>			
STATE OF KANSAS	\$ 130,250.00	\$ 0.00	\$ 1,875.00
<u>EXPENDITURES</u>			
INSTRUCTION	130,250.00	15,384.57	0.00
GREEN SCHOOLS SUPPLIES	0.00	0.00	3,157.43
TOTAL EXPENDITURES	130,250.00	15,384.57	3,157.43
RECEIPTS OVER (UNDER) EXPENDITURES	0.00	(15,384.57)	(1,282.43)
UNENCUMBERED CASH, JULY 1, 2013	0.00	15,384.57	0.00
UNENCUMBERED CASH, JUNE 30, 2014	\$ 0.00	\$ 0.00	\$ (1,282.43)

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

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SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	TITLE II -A FY 14	HRSA	PEP
<u>CASH RECEIPTS</u>			
STATE OF KANSAS	\$ 50,109.00	\$ 0.00	\$ 0.00
USD #498	0.00	20,002.47	62,165.87
TOTAL CASH RECEIPTS	50,109.00	20,002.47	62,165.87
<u>EXPENDITURES</u>			
INSTRUCTION	50,109.00	0.00	0.00
HRSA EQUIPMENT	0.00	20,002.47	0.00
PEP EQUIPMENT	0.00	0.00	59,224.07
TOTAL EXPENDITURES	50,109.00	20,002.47	59,224.07
RECEIPTS OVER (UNDER) EXPENDITURES	0.00	0.00	2,941.80
UNENCUMBERED CASH, JULY 1, 2013	0.00	0.00	(5,570.25)
UNENCUMBERED CASH, JUNE 30, 2014	\$ 0.00	\$ 0.00	\$ (2,628.45)

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>MILLS MEMORIAL SCHOLARSHIP</u>	<u>SOURK MEMORIAL SCHOLARSHIP</u>	<u>GIFTS AND DONATIONS</u>
<u>CASH RECEIPTS</u>			
INVESTMENT INTEREST INCOME	\$ 169.00	\$ 23.46	\$ 0.00
OTHER DONATIONS	<u>0.00</u>	<u>0.00</u>	<u>206,291.00</u>
TOTAL REVENUE	<u>169.00</u>	<u>23.46</u>	<u>206,291.00</u>
<u>EXPENDITURES</u>			
TECHNOLOGY DONATION -IPADS	0.00	0.00	200,000.00
MUSIC DONATION EXPENDED	0.00	0.00	6,291.00
GRANT TO RECIPIENTS	<u>169.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL EXPENDITURES	<u>169.00</u>	<u>0.00</u>	<u>206,291.00</u>
RECEIPTS OVER (UNDER) EXPENDITURES	0.00	23.46	0.00
UNENCUMBERED CASH, JULY 1, 2013	<u>10,436.19</u>	<u>927.21</u>	<u>475.16</u>
UNENCUMBERED CASH, JUNE 30, 2014	<u>\$ 10,436.19</u>	<u>\$ 950.67</u>	<u>\$ 475.16</u>

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

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SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>HEIMAN-DICK SCHOLARSHIP</u>	<u>ROTHFELDER SCHOLARSHIP</u>
<u>CASH RECEIPTS</u>		
INTEREST	\$ <u>168.00</u>	\$ <u>88.69</u>
<u>EXPENDITURES</u>		
SCHOLARSHIPS	<u>336.00</u>	<u>1,000.00</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(168.00)	(911.31)
UNENCUMBERED CASH, JULY 1, 2013	<u>24,168.00</u>	<u>12,562.76</u>
UNENCUMBERED CASH, JUNE 30, 2014	\$ <u><u>24,000.00</u></u>	\$ <u><u>11,651.45</u></u>

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

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AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	BEGINNING CASH BALANCE	CASH RECEIPTS	CASH DISBURSEMENTS	ENDING CASH BALANCE
<u>STUDENT ORGANIZATION FUNDS</u>				
AXTELL PUBLIC SCHOOLS				
SOAR AS AN EAGLE SCHOLARSHIP-2010	\$ 6,228.17	\$ 8.11	\$ 6,236.28	\$ 0.00
SOAR AS AN EAGLE SCHOLARSHIP-2011	10,086.64	9.53	10,096.17	0.00
SOAR AS AN EAGLE SCHOLARSHIP-2012	10,036.10	29.70	0.00	10,065.80
SOAR AS AN EAGLE SCHOLARSHIP-2013	10,007.95	29.70	0.00	10,037.65
SOAR AS AN EAGLE SCHOLARSHIP-2014	0.00	10,007.23	0.00	10,007.23
CLASS OF 2014	5,144.16	0.00	5,144.16	0.00
CLASS OF 2015	648.32	22,324.62	12,833.78	10,139.16
CLASS OF 2016	418.65	0.00	0.00	418.65
CLASS OF 2017	621.39	0.00	0.00	621.39
CLASS OF 2018	0.00	831.00	0.00	831.00
FBLA	439.78	1,262.00	910.96	790.82
ACSC-AXTELL COMM. SERVICE CLUB	6,037.52	6,767.91	7,687.30	5,118.13
FFA	4,064.04	10,764.29	11,240.76	3,587.57
SCHOLARSHIPS	200.00	1,222.84	1,322.84	100.00
NATIONAL HONOR SOCIETY	240.65	1,648.50	1,352.83	536.32
STUCO	1,714.74	3,211.34	3,835.30	1,090.78
SUBTOTAL AXTELL PUBLIC SCHOOLS	55,888.11	58,116.77	60,660.38	53,344.50
WETMORE HIGH SCHOOL				
KAYS	159.11	4,580.10	3,591.11	1,148.10
STUCO	2,473.03	1,211.31	1,505.00	2,179.34
HONOR SOCIETY	403.00	723.42	480.60	645.82
CLASS OF 2009	400.09	0.00	0.00	400.09
CLASS OF 2011	411.34	0.00	0.00	411.34
CLASS OF 2012	297.99	0.00	0.00	297.99
CLASS OF 2013	460.42	0.00	0.00	460.42
CLASS OF 2014	2,686.60	20.00	1,603.16	1,103.44
CLASS OF 2015	456.18	15,718.67	12,461.57	3,713.28
CLASS OF 2016	0.00	829.72	0.00	829.72
SUBTOTAL WETMORE HIGH SCHOOL	7,747.76	23,083.22	19,641.44	11,189.54

AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	BEGINNING CASH BALANCE	CASH RECEIPTS	CASH DISBURSEMENTS	ENDING CASH BALANCE
<u>STUDENT ORGANIZATION FUNDS (cont.)</u>				
SABETHA HIGH SCHOOL				
STUDENT COUNCIL	\$ 4,110.02	\$ 35,109.00	\$ 32,922.50	\$ 6,296.52
KAYS	2,594.59	4,731.88	4,484.60	2,841.87
FFA	11,893.15	29,014.15	27,004.91	13,902.39
SABETHA BUSINESS CLUB	1,391.38	271.48	408.12	1,254.74
INTERNATIONAL CLUB	823.71	0.00	0.00	823.71
FFCLA	999.02	1,193.92	0.00	2,192.94
NATIONAL HONOR SOCIETY	493.75	280.65	0.00	774.40
FCA	751.48	450.00	519.01	682.47
CLASS OF 2014	3,044.56	0.00	2,262.50	782.06
CLASS OF 2015	417.00	20,138.19	17,395.66	3,159.53
CLASS OF 2016	360.00	400.00	0.00	760.00
CLASS OF 2017	0.00	361.03	0.00	361.03
SUBTOTAL SABETHA HIGH SCHOOL	26,878.66	91,950.30	84,997.30	33,831.66
 TOTAL AGENCY FUNDS	 \$ 90,514.53	 \$ 173,150.29	 \$ 165,299.12	 \$ 98,365.70

DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

FUNDS	BEGINNING UNENCUMBERED CASH BALANCE	PRIOR YEAR CANCELED ENCUMBRANCES	CASH RECEIPTS	EXPENDITURES	ENDING UNENCUMBERED CASH BALANCE	OUTSTANDING ENCUMBRANCES AND ACCOUNTS PAYABLE	ENDING CASH BALANCE
GATE RECEIPTS FUNDS							
AXTELL PUBLIC SCHOOLS							
SENIOR HIGH ATHLETICS	\$ 504.80	\$ 0.00	\$ 19,397.50	\$ 14,733.52	\$ 5,168.78	\$ 0.00	\$ 5,168.78
JUNIOR HIGH ATHLETICS	1,129.23	0.00	5,337.59	4,496.27	1,970.55	0.00	1,970.55
WETMORE HIGH SCHOOL							
ATHLETICS	9,349.90	0.00	9,441.14	11,735.54	7,055.50	0.00	7,055.50
SABETHA HIGH SCHOOL							
ATHLETICS	39,411.83	0.00	141,564.21	135,928.94	45,047.10	0.00	45,047.10
SABETHA MIDDLE SCHOOL							
ATHLETICS	31,584.50	0.00	13,387.90	22,535.83	22,416.57	0.00	22,416.57
SUBTOTAL GATE RECEIPTS FUNDS	81,960.26	0.00	189,128.34	189,430.10	81,658.50	0.00	81,658.50
SCHOOL PROJECTS FUNDS							
AXTELL PUBLIC SCHOOLS							
SCHOOL PLAY	691.08	0.00	579.00	335.67	934.41	0.00	934.41
STUDENT PURCHASES/REVOLVING	12.80	0.00	7,246.13	7,233.67	25.26	0.00	25.26
FFA FARM SAFETY	135.19	0.00	505.00	187.70	452.49	0.00	452.49
SALES TAX	0.00	0.00	3,033.79	2,981.13	52.66	0.00	52.66
ANNUAL	7,429.63	0.00	3,321.92	2,653.50	8,098.05	0.00	8,098.05
AHS CHEERLEADERS	699.46	0.00	1,261.59	1,955.98	5.07	0.00	5.07
AHS MUSIC/BAND	807.45	0.00	141.47	0.00	948.92	0.00	948.92
AG CLASSROOM TOOL REPLACEMENT	0.00	0.00	1,803.00	133.94	1,669.06	0.00	1,669.06
CLASS OF 2014 SCHOLARSHIP	0.00	0.00	5,009.94	0.00	5,009.94	0.00	5,009.94
2014 HELP COMM GROW GRANT	0.00	0.00	500.00	87.84	412.16	0.00	412.16
LIBRARY BOOK FUND	303.22	0.00	1,079.86	948.27	434.81	0.00	434.81
FACULTY	51.09	0.00	215.45	225.11	41.43	0.00	41.43
TEACHER SUPPLIES - FUND RAISERS/DONATIONS	1,248.84	0.00	2,344.21	1,291.28	2,301.77	0.00	2,301.77
HCC COURSES ENGLISH	2,311.54	0.00	5,520.00	0.00	7,831.54	0.00	7,831.54
HCC COURSES MATH	0.00	0.00	2,475.00	1,349.40	1,125.60	0.00	1,125.60
HCC COURSES HISTORY	0.00	0.00	2,295.00	-132.39	2,427.39	0.00	2,427.39
STUDENT ACTIVITY PROJECTS	972.86	0.00	1,479.15	1,624.23	827.78	0.00	827.78
AHS FB FUND	850.00	0.00	1,436.02	2,286.02	0.00	0.00	0.00
AHS BB FUND	167.25	0.00	0.00	0.00	167.25	0.00	167.25
ELEMENTARY BOXTOPS	0.00	0.00	1,641.88	0.00	1,641.88	0.00	1,641.88
PLAYGROUND EQUIPMENT	0.00	0.00	150.57	0.00	150.57	0.00	150.57
SUBTOTAL AXTELL PUBLIC SCHOOLS	15,680.41	0.00	42,038.98	23,161.35	34,558.04	0.00	34,558.04
WETMORE HIGH SCHOOL							
STUDENT ACTIVITY PROJECTS	3,341.70	0.00	10,556.84	7,933.70	5,964.84	0.00	5,964.84
LIBRARY PROJECT	193.72	0.00	1,920.11	2,088.05	25.78	0.00	25.78
PLAYGROUND	0.00	0.00	90.90	0.00	90.90	0.00	90.90
MUSIC	3,517.06	0.00	5,932.63	5,139.42	4,310.27	0.00	4,310.27
CARDINAL	6,271.04	0.00	5,461.10	5,524.22	6,207.92	0.00	6,207.92
CHEERLEADERS	2,074.09	0.00	5,349.70	6,319.02	1,104.77	0.00	1,104.77
HS PLC	0.00	0.00	831.52	300.00	531.52	0.00	531.52
BAND/VOCAL	301.31	0.00	520.78	578.42	243.67	0.00	243.67
SCHOLARSHIPS	10.00	0.00	1,070.00	1,080.00	0.00	0.00	0.00
BBALL FUNDRAISING	0.00	0.00	1,302.15	128.44	1,173.71	0.00	1,173.71
BOXTOPS	0.00	0.00	407.53	101.65	305.88	0.00	305.88
BAND CLEANING	625.14	0.00	0.00	0.00	625.14	0.00	625.14
KSHSAA	2,802.55	0.00	1,970.00	4,772.55	0.00	0.00	0.00
COMPUTER FEES	1,948.21	0.00	942.17	717.16	2,173.22	0.00	2,173.22
SADD	17.39	0.00	1,446.94	1,409.62	54.71	0.00	54.71
SUBTOTAL WETMORE HIGH SCHOOL	21,102.21	0.00	37,802.37	36,092.25	22,812.33	0.00	22,812.33

DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	BEGINNING UNENCUMBERED CASH BALANCE	PRIOR YEAR CANCELED ENCUMBRANCES	CASH RECEIPTS	EXPENDITURES	ENDING UNENCUMBERED CASH BALANCE	OUTSTANDING ENCUMBRANCES AND ACCOUNTS PAYABLE	ENDING CASH BALANCE
SCHOOL PROJECTS FUNDS (cont.)							
SABETHA HIGH SCHOOL							
SADD	\$ 1,632.69	\$ 0.00	\$ 5,498.89	\$ 3,094.54	\$ 4,037.04	\$ 0.00	\$ 4,037.04
ANNUAL	1,985.63	0.00	15,167.72	15,125.25	2,028.10	0.00	2,028.10
ART	447.13	0.00	1,065.00	876.75	635.38	0.00	635.38
LIFT-A-THON	2,206.85	0.00	2,377.00	4,043.96	539.89	0.00	539.89
DRAMA	2,735.69	0.00	2,593.25	1,676.96	3,651.98	0.00	3,651.98
BAND	746.39	0.00	1,568.20	1,286.11	1,028.48	0.00	1,028.48
VOCAL/MUSIC	43.09	0.00	0.00	0.00	43.09	0.00	43.09
ODYSSEY SINGERS	1,425.03	0.00	13,912.91	7,012.69	8,325.25	0.00	8,325.25
LIBRARY/LIBRARY FINES	166.89	0.00	16.00	159.42	23.47	0.00	23.47
ACT PREP	74.32	0.00	780.00	780.00	74.32	0.00	74.32
PUBLIC SPEAKING	13,026.05	0.00	11,176.41	7,238.82	16,963.64	0.00	16,963.64
BLUE CREW	356.72	0.00	200.00	45.00	511.72	0.00	511.72
ACADEMIC BANQUET	199.83	0.00	2,642.20	2,596.97	245.06	0.00	245.06
DRIVERS EDUCATION	726.66	0.00	3,247.50	3,378.65	595.51	0.00	595.51
PHYSICAL EDUCATION	20.11	0.00	0.00	0.00	20.11	0.00	20.11
JAY JAYS	4,424.14	0.00	27,158.51	26,653.71	4,928.94	0.00	4,928.94
JAY JOURNAL	1,320.44	0.00	2,000.81	2,530.00	791.25	0.00	791.25
MUSICAL	3,860.35	0.00	4,199.04	4,147.15	3,912.24	0.00	3,912.24
STUDENT ACTIVITY PROJECTS	21,810.65	0.00	18,796.49	19,993.52	20,613.62	0.00	20,613.62
SUBTOTAL SABETHA HIGH SCHOOL	57,208.66	0.00	112,399.93	100,639.50	68,969.09	0.00	68,969.09
SABETHA MIDDLE SCHOOL							
STUDENT ACTIVITY PROJECTS	27,985.70	0.00	8,047.55	7,398.48	28,634.77	0.00	28,634.77
STUDENT ASSISTANCE PROJECT	316.09	0.00	0.00	96.20	219.89	0.00	219.89
SALES TAX	238.08	0.00	1,229.47	1,176.46	291.09	0.00	291.09
FLOWER/COFFEE FUND	7.22	0.00	412.50	344.92	74.80	0.00	74.80
ART	3,471.18	0.00	310.00	0.00	3,781.18	0.00	3,781.18
STUCO	659.89	0.00	0.00	38.00	621.89	0.00	621.89
BAND	0.00	0.00	30.00	30.00	0.00	0.00	0.00
LIBRARY BOOK FAIR	833.94	0.00	54.00	130.35	757.59	0.00	757.59
COUNTRY MART EDUC	13,126.83	0.00	329.24	2,409.38	11,046.69	0.00	11,046.69
CONCESSIONS PROJECT	6,756.11	0.00	11,438.01	11,424.78	6,769.34	0.00	6,769.34
SUBTOTAL SABETHA MIDDLE SCHOOL	53,395.04	0.00	21,850.77	23,048.57	52,197.24	0.00	52,197.24
SABETHA ELEMENTARY SCHOOL							
NEEDY CHILDREN PROJECT	58.91	0.00	700.00	267.00	491.91	0.00	491.91
POP PROJECT	204.62	0.00	1,185.81	1,250.32	140.11	0.00	140.11
BOOK FAIR	3,178.55	0.00	2,233.28	2,873.17	2,536.66	0.00	2,536.66
TREE PROJECT	1,946.58	0.00	0.00	0.00	1,946.58	0.00	1,946.58
STUDENT ACTIVITIES (PICTURES) PROJECT	14,075.82	0.00	4,797.63	5,185.78	13,687.67	0.00	13,687.67
SUBTOTAL SABETHA ELEMENTARY SCHOOL	19,462.48	0.00	8,916.72	9,576.27	18,802.93	0.00	18,802.93
SUMMERFIELD ELEMENTARY SCHOOL							
POP MACHINE	1.05	0.00	0.00	1.05	0.00	0.00	0.00
STATE TAX	0.48	0.00	0.00	0.48	0.00	0.00	0.00
GROCERY STORE RECEIPTS	3.29	0.00	0.00	3.29	0.00	0.00	0.00
BOOKFAIR	43.55	0.00	844.65	888.20	0.00	0.00	0.00
SUMMERFIELD TRACK	150.57	0.00	0.00	150.57	0.00	0.00	0.00
SPECIAL ACTIVITY PROJECTS	3,166.30	0.00	834.10	4,000.40	0.00	0.00	0.00
SUBTOTAL SUMMERFIELD ELEMENTARY SCHOOL	3,365.24	0.00	1,678.75	5,043.99	0.00	0.00	0.00
SUBTOTAL SCHOOL PROJECT FUNDS	170,214.04	0.00	224,687.52	197,561.93	197,339.63	0.00	197,339.63
TOTAL DISTRICT ACTIVITY FUNDS	\$ 252,174.30	\$ 0.00	\$ 413,815.86	\$ 386,992.03	\$ 278,998.13	\$ 0.00	\$ 278,998.13

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

OTHER SUPPLEMENTARY INFORMATION

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

SCHEDULE 5

COMPARISON OF DEPOSITORY SECURITY WITH FUNDS ON DEPOSIT
6/30/2014

	F.D.I.C. COVERAGE	SECURITY PLEDGED PAR VALUE	MARKET VALUE	TOTAL COVERAGE	FUNDS ON DEPOSIT 6/30/2014	FUNDS AT RISK 6/30/2014
BANK						
UNITED BANK & TRUST, SABETHA, KANSAS--						
DEMAND DEPOSITS	\$ 1,020.00	\$ 3,300,000.00	\$ 3,300,336.16	\$ 3,550,336.16	\$ 1,020.00	
TIME DEPOSITS	250,000.00				3,331,042.06	
SUBTOTAL	251,020.00	3,300,000.00	3,300,336.16	3,551,356.16	3,332,062.06	\$ 0.00
WETMORE NATIONAL BANK, WETMORE, KANSAS--						
DEMAND DEPOSITS	37,117.29				37,117.29	
TIME DEPOSITS	77,709.64				77,709.64	
SUBTOTAL	114,826.93	0.00	0.00	114,826.93	114,826.93	0.00
MERIT BANK, GOFF, KANSAS--						
TIME DEPOSITS	215,944.50	0.00	0.00	215,944.50	215,944.50	0.00
COMMUNITY NATIONAL BANK, SENECA, KANSAS--						
TIME DEPOSITS	250,000.00	1,500,000.00	1,653,166.50	1,903,166.50	1,645,815.54	0.00
MORRILL & JAMES BANK, SABETHA, KANSAS--						
TIME DEPOSITS	250,000.00	3,000,000.00	3,325,668.69	3,575,668.69	1,205,447.16	0.00
WESTERN NATIONAL BANK, SUMMERFIELD, KANSAS--						
DEMAND	3,151.89	0.00	0.00	3,151.89	3,151.89	0.00
STATE BANK OF BERN, BERN, KANSAS--						
TIME	250,000.00	1,330,000.00	1,415,820.10	1,665,820.10	1,428,266.74	0.00
TOTALS	\$ 1,334,943.32	\$ 1,330,000.00	\$ 1,415,820.10	\$ 11,029,934.77	\$ 7,945,514.82	\$ 0.00

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

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KICKHAEFER & ASSOCIATE, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

Kenneth L. Kickhaefer, CPA

PO BOX 269, 1100 BROADWAY
MARYSVILLE, KS 66508-0269

(785) 562-2100
FAX (785) 562-2166

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE
FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS

Board of Education
Prairie Hills Unified School District No. 113
Sabetha, Kansas 66534

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*, the financial statement of Prairie Hills Unified School District No. 113, Sabetha, Kansas, (the District) as of and for the year ended June 30, 2014 and the related notes to the financial statement, which comprise Unified School District No. 113's basic financial statement and have issued our report thereon, dated November 10, 2014, which was qualified because the District prepares its financial statement to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal controls such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. (2014-1, 2014-2)

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the District's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Response to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statement and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Kickhafer & Associate, P.A.

Marysville, Kansas

November 10, 2014

KICKHAEFER & ASSOCIATE, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

Kenneth L. Kickhaefer, CPA

PO BOX 269, 1100 BROADWAY
MARYSVILLE, KS 66508-0269

(785) 562-2100
FAX (785) 562-2166

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133

Board of Education
Prairie Hills Unified School District No. 113
Sabetha, Kansas 66534

Report on Compliance for Each Major Federal Program

We have audited Prairie Hills Unified School District No. 113's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the fiscal year ended June 30, 2014. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with the *Kansas Municipal Auditing and Accounting Guide*; auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2014.

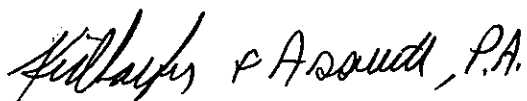
Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit the attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Kickhafer & Associate, P.A.
Marysville, Kansas
November 10, 2014

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

PROGRAM TITLE	FEDERAL CFDA NUMBER	PROGRAM OR AWARD AMOUNT	BEGINNING BALANCE 07-01-13	RECEIPTS	EXPENDITURES	ENDING BALANCE 06-30-14
U.S. DEPT. OF EDUCATION:						
PASS-THROUGH PROGRAMS FROM:						
KANSAS DEPARTMENT OF EDUCATION:						
TITLE I - FY 13	84.010	\$ 144,722.00	\$ 15,384.57	\$ 0.00	\$ 15,384.57	\$ 0.00
TITLE I - FY 14	84.010	130,250.00	0.00	130,250.00	130,250.00	0.00
TOTAL TITLE I					<u>145,634.57</u>	
TITLE II - A FY 14	84.367	50,109.00	0.00	50,109.00	50,109.00	0.00
TITLE II - A IMPROVING TQ-SUMMER CONFERENCES	84.367	711.60	0.00	711.60	711.60	0.00
 NEK SCHOOL TO WORK CONSORTIUM:						
CARL PERKINS - SECONDARY IMPROVEMENT	84.048	18,740.57	0.00	18,740.57	18,740.57	0.00
 USD #498:						
PHYSICAL EDUCATION PROGRAM (PEP)	84215F	68,172.89	(5,570.25)	71,114.69	68,172.89	(2,628.45)
 TOTAL PASS-THROUGH PROGRAMS					<u>283,368.63</u>	
TOTAL U.S. DEPT OF EDUCATION					<u>283,368.63</u>	
 U.S. DEPT. OF HEALTH AND HUMAN SERVICES:						
PASS-THROUGH PROGRAM FROM:						
KANSAS DEPT. OF HEALTH AND ENVIRONMENT:						
MEDICAL ASSISTANCE PROGRAM	93.778	16,564.14	0.00	16,564.14	16,564.14	0.00
 KANSAS DEPARTMENT OF EDUCATION:						
YOUTH RISK BEHAVIOR SURVEY	93.938	200.00	0.00	200.00	200.00	0.00
 USD #498:						
RURAL HEALTHCARE SERVICES OUTREACH (HRSA)	93.912	24,167.10	0.00	24,167.10	24,167.10	0.00
 TOTAL PASS-THROUGH PROGRAMS					<u>40,931.24</u>	
TOTAL U.S. DEPT. OF HEALTH AND HUMAN SERVICES					<u>40,931.24</u>	
 U.S. DEPT. OF AGRICULTURE:						
HEALTHIER U.S. SCHOOLS CHALLENGE	10.574	7,500.00	0.00	7,500.00	7,500.00	0.00
 PASS-THROUGH PROGRAMS FROM:						
KANSAS DEPARTMENT OF EDUCATION:						
SCHOOL BREAKFAST PROGRAM	10.553	46,553.56	0.00	46,553.56	46,553.56	0.00
SCHOOL LUNCH PROGRAM	10.555	226,814.11	0.00	226,814.11	226,814.11	0.00
TOTAL CHILD NUTRITION CLUSTER					<u>273,367.67</u>	
 TEAM NUTRITION TRAINING GRANT	10.574	1,508.00	0.00	1,508.00	1,508.00	0.00
TOTAL PASS-THROUGH PROGRAMS					<u>274,875.67</u>	
TOTAL U.S. DEPT. OF AGRICULTURE					<u>282,375.67</u>	
TOTAL EXPENDITURES OF FEDERAL AWARDS					<u>\$ 606,675.54</u>	

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

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PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2014

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Prairie Hills Unified School District No. 113, Sabetha, Kansas and is presented on the KMAAG regulatory basis of accounting which involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. The schedule of expenditures of federal awards includes supplies and equipment which were purchased with federal monies by the pass through entity on behalf of USD #113 and distributed to the District. These amounts are included in receipts and expenditures. Therefore, some amounts presented in this schedule may differ from amounts presented in the basic financial statement. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

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PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the Prairie Hills Unified School District No. 113, Sabetha, Kansas' financial statement under the regulatory basis of accounting and an adverse opinion under GAAP dated November 10, 2014.
2. Two significant deficiencies relating to the audit of the financial statement are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statement of Prairie Hills Unified School District No. 113, Sabetha, Kansas, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No material weaknesses in internal control relating to the audit of the major federal award programs are reported in the Independent Auditors' Report of Compliance For Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for Prairie Hills Unified School District No. 113, Sabetha, Kansas expresses an unqualified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for Prairie Hills Unified School District No. 113, Sabetha, Kansas, that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs are the Child Nutrition Cluster, CFDA #'s 10.553 and 10.555, and the Title I CFDA #84.010. The Child Nutrition Cluster is a U.S. Department of Agriculture program and Title I is a U.S. Department of Education program.
8. The dollar threshold between Type A programs and Type B programs was \$300,000.
9. The Prairie Hills Unified School District No. 113, Sabetha, Kansas, did not qualify under Section 530 as a low-risk auditee and therefore was not eligible for reduced audit coverage in accordance with Section 520.

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT.)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

FINDINGS – FINANCIAL STATEMENT AUDIT

2014-1 Budget Violation

Condition: The district refinanced bonds and had costs which were related to the refinancing but no authority in the budget.

Criteria: The school district should republish the budget when unexpected changes are made in the fund.

Cause: The district decided to refinance the oldest bond series and extra costs were incurred to the Bond & Interest Fund but the budget was not republished to have authority to spend the additional costs.

Effect: The district has a budget violation in the Bond and Interest Fund for the costs of refinancing the bonds.

Recommendation: The district should have tried to republish the budget as soon as the Board decided to refinance the bonds so there would be budget authority to charge the costs of refinancing to the Bond & Interest Fund.

Views of Responsible Officials and Planned Corrective Actions: The district agrees with the finding and the recommendation. This was an unusual event which will be better prepared for in the future.

2014-2 Bid Violation

Condition: No sealed bids were taken for the expenditure of \$20,940.00 for carpet for the Sabetha Middle School from Drapery Décor.

Criteria: Internal controls should be in place to make sure that proper steps are taken to get sealed bids for expenditures over \$20,000.

Cause: The Board of Education approved a Capital Outlay plan which included this project but failed to realize it would be over the \$20,000.

Effect: No sealed bids were received for the carpet expenditure and that was a violation of K.S.A. 72-6760.

Recommendation: The Superintendent and Board of Education need to be Aware of the sealed bid requirements for expenditures over \$20,000.

Views of Responsible Officials and Planned Corrective Actions: The district agrees with the finding and the recommendations. This will be monitored more closely by the new superintendent.

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

No matters noted in the current fiscal year.

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

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PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
JUNE 30, 2014

PRIOR YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

2013-1

Condition: The former Accounting Supervisor wrote herself duplicate checks.

Recommendation: Additional controls put in place to have someone else do the bank reconciliations.

Current Status: The District office has a new Accounting Supervisor and someone else doing the district bank reconciliations.

2013-2

Condition: No sealed bids were taken for the IPADs or the purchase of janitorial supplies which were both over \$20,000.

Recommendation: The Superintendent and Board of Education need to be aware of the sealed bid requirements for expenditures over \$20,000.

Current Status: The district used the proper procedures for the IPAD purchases in the current year but failed to catch the carpet expenditure which totaled \$20,940.00.

2013-3

Condition: State Treasurer's Office did not receive the ACH Bond authorization form 20 days before the scheduled payment.

Recommendation: The Accounting Supervisor needs to remind herself to get the bond payment forms filed timely.

Current Status: There were no late payment forms filed in the current year.

2013-4

Condition: No public works bond was filed for the Rogers & Sons electrical work for \$146,296.79.

Recommendation: Any contracts over \$100,000 should show filing of required bonds.

Current Status: There were no contracts over \$100,000 in the current year.

2013-5

Condition: Federal monies are handled by various people. District needs to monitor all federal funds for the schedule of expenditures of federal awards.

Recommendation: One person should compile the information needed to capture all federal monies expended by the district.

Current Status: Better monitoring of federal monies is being done and the Accounting Supervisor will coordinate all federal monies.

PRAIRIE HILLS UNIFIED SCHOOL DISTRICT NO. 113
SABETHA, KANSAS

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
JUNE 30, 2014

PRIOR YEAR FINDINGS – MAJOR FEDERAL AWARD PROGRAMS

There were no prior year major federal award program findings or questioned costs.